

Message Text

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ORIGIN EUR-12

INFO OCT-01 ISO-00 EB-07 SAM-01 OPIC-03 CIAE-00 INR-07

LAB-04 NSAE-00 SIL-01 DODE-00 PM-04 H-02 L-03 NSC-05

PA-01 PRS-01 SP-02 SS-15 NSCE-00 SSO-00 USIE-00

INRE-00 /069 R

DRAFTED BY EUR/WE:GPFOURIER:JML

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EB/CSB:BILLER (INFO)

----- 031987

O R 192230Z FEB 76

FM SECSTATE WASHDC

TO AMEMBASSY LISBON IMMEDIATE

INFO AMEMBASSY OSLO

;DC/USDOC WASHDC

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E.O. 11652: N/A

TAGS: EINV, PO

SUBJECT: TIMEX DISPUTE

REF: LISBON 1079

1. ON RECEIVING REFTEL AT 12:30 LOCAL FEB. 19, DEPTOFF ADVISED TIMEX VP MARSCHING OF ATTEMPT BY TMX LISBON MANAGEMENT TO MEET WITH LABOR MINISTER DURING AFTERNOON OF FEB. 19 LISBON TIME. MARSCHING THANKED DEPTOFF FOR INFORMATION (WHICH HE HAD NOT YET RECEIVED) AND SAID HE APPRECIATED EMBASSY'S OFFER TO HELP FACILITATE MEETING IF NECESSARY.

2. BY WAY OF BACKGROUND ON TMX'S POSITION, MARSCHING SAID
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FIRM HAD CONSISTENTLY TRIED TO MAINTAIN MAXIMUM EMPLOY-

MENT POSSIBLE UNDER DIFFICULT FINANCIAL AND LABOR CONDITIONS. HE SAID FIRM HAD INITIALLY PROPOSED LAYOFF OF 700 WORKERS COUPLED WITH 60 WORK SCHEDULE TO LABOR MINISTRY ON DEC. 16, AND THAT SEVERAL AMICABLE MEETINGS WITH LABOR MINISTER HAD TAKEN PLACE DURING EARLY JANUARY. HE SAID TMX BOARD MEMBERS HAD TRAVELLED TO PORTUGAL TO ATTEND THESE MEETINGS AND BEEN FAVORABLY IMPRESSED WITH EVIDENT DESIRE OF OFFICIALS TO HELP FIND SOLUTION, ALTHOUGH NONE WAS FOUND. AFTER MID-JANUARY, HOWEVER, NO FURTHER MEETINGS

COULD BE ARRANGED AND FIRM WAS NOW FACED WITH FINANCIAL IMPERATIVES WHICH COULD NO LONGER BE POSTPONED.

3. DEPTOFF ASKED IF BOARD MEMBERS WERE WILLING TO RESUME MEETINGS WITH LABOR MINISTER IF LATTER AGREED. MARSCHING SAID TMX BOARD CHAIRMAN WAS PRESENTLY IN LAUSANNE AND WOULD READILY TRAVEL TO LISBON IF PRESENT POSITION OF WORKERS AND LABOR MINISTRY APPEARED REASONABLE.

4. ASKED IF EMBASSY COULD BE OF ANY FURTHER ASSISTANCE, MARSCHING SAID HE HOPED EMBASSY WOULD CONVEY TO GOP TMX'S BELIEF IT HAD SPARED NO EFFORT, INCLUDING OPERATING FOR EXTENDED PERIOD AT FINANCIAL LOSS, TO AVOID UNNECESSARY CURTAILMENT OF LISBON OPERATION. HE CONFIRMED TMX MANAGEMENT'S ASSESSMENT (PARA 2, REFTTEL), HOWEVER, THAT 700 LAYOFF AND 60 WORK SCHEDULE WAS MINIMAL ACCEPTABLE SOLUTION. INGERSOLL

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